

RULES AND REGULATIONS

ards for Grapefruit (California and Arizona), 12 F. R. 1975; or

(ii) From the State of California or the State of Arizona to any point outside thereof in the United States or in Canada, any grapefruit, grown as aforesaid, which are of a size smaller than $3\frac{1}{16}$ inches in diameter ("diameter" to be measured midway at a right angle to a straight line running from the stem to the blossom end of the fruit), except that a tolerance of 5 percent, by count, of grapefruit smaller than such minimum size shall be permitted which tolerance shall be applied in accordance with the provisions for the application of tolerances, specified in the said revised United States Standards for Grapefruit (California and Arizona): *Provided*, That in determining the percentage of grapefruit in any lot which are smaller than $3\frac{1}{16}$ inches in diameter, such percentage shall be based only on the grapefruit in such lot which are of a size $4\frac{1}{16}$ inches in diameter and smaller.

(2) As used in this section, "handler" and "ship" shall have the same meaning as is given to each such term in said marketing agreement and order; and the term "well colored" shall have the same meaning as is given to such term in the aforesaid revised United States Standards for Grapefruit (California and Arizona). (48 Stat. 31, as amended; 7 U. S. C. 601 et seq.; 7 CFR, Cum. Supp., 955.1)

Done at Washington, D. C., this 9th day of November 1948.

[SEAL] M. W. BAKER,
Acting Director, Fruit and Vegetable Branch, Production and Marketing Administration.

[F. R. Doc. 48-9973; Filed, Nov. 12, 1948; 8:58 a. m.]

[Orange Reg. 254]

PART 966—ORANGES GROWN IN CALIFORNIA AND ARIZONA

LIMITATION OF SHIPMENTS

§ 966.400 *Orange Regulation 254—(a) Findings.* (1) Pursuant to the provisions of Order No. 66 (7 CFR, Cum. Supp., 966.1 et seq.) regulating the handling of oranges grown in the State of California or in the State of Arizona, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended, and upon the basis of the recommendation and information submitted by the Orange Administrative Committee, established under the said order, and upon other available information, it is hereby found that the limitation of the quantity of such oranges which may be handled, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule making procedure, and postpone the effective date of this section until 30 days after publication thereof in the *FEDERAL REGISTER* (60 Stat. 237; 5 U. S. C. 1001 et seq.) because the

time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the Agricultural Marketing Agreement Act of 1937, as amended, is insufficient, and a reasonable time is permitted under the circumstances, for preparation for such effective date.

(b) *Order.* (1) The quantity of oranges grown in the State of California or in the State of Arizona which may be handled during the period beginning at 12:01 a. m., P. s. t., November 14, 1948 and ending at 12:01 a. m., P. s. t., November 21, 1948 is hereby fixed as follows:

(i) *Valencia oranges.* (a) Prorate District No. 1: no movement;

(b) Prorate District No. 2: unlimited movement;

(c) Prorate District No. 3: no movement.

(ii) *Oranges other than Valencia oranges.* (a) Prorate District No. 1: 200 carloads;

(b) Prorate District No. 2: no movement;

(c) Prorate District No. 3: Unlimited movement.

(2) The prorate base of each handler who has made application therefor, as provided in the said order, is hereby fixed in accordance with the prorate base schedule which is attached hereto and made a part hereof by this reference.

(3) As used in this section, "handler," "handler," "carloads," and "prorate base" shall have the same meaning as is given to each such term in the said order; and "Prorate District No. 1," "Prorate District No. 2," and "Prorate District No. 3" shall have the same meaning as is given to each such term in § 966.107 (11 F. R. 10258) of the rules and regulations contained in this part. (48 Stat. 31, as amended; 7 U. S. C. 601 et seq.)

Done at Washington, D. C., this 10th day of November 1948.

[SEAL] M. W. BAKER,
Acting Director, Fruit and Vegetable Branch, Production and Marketing Administration.

PRORATE BASE SCHEDULE

[12:01 a. m. Nov. 14, 1948, to 12:01 a. m., Nov. 21, 1948]

ALL ORANGES OTHER THAN VALENCIA ORANGES

Prorate District No. 1

Handler	Prorate base (percent)
Total	100.0000
A. F. G. Lindsay	1.7631
A. F. G. Porterville	2.3945
A. F. G. Sides	.6184
Ivanhoe Cooperative Association	.6547
Dofflemeyer & Son, W. Todd	.6191
Earlbest Orange Association	1.3361
Elderwood Citrus Association	.8037
Exeter Citrus Association	2.5773
Exeter Orange Growers Association	1.3245
Exeter Orchards Association	1.3964
Hillside Packing Association	1.9504
Ivanhoe Mutual Orange Association	1.1063
Kilink Citrus Association	4.5518
Lemon Cove Association	1.9399
Lindsay Citrus Growers Association	2.2131
Lindsay Coop. Citrus Association	1.5369

PRORATE BASE SCHEDULE—Continued

ALL ORANGES OTHER THAN VALENCIA ORANGES—continued

Prorate District No. 1—Continued

Handler	Prorate base (percent)
Lindsay District Orange Co.	1.3678
Lindsay Fruit Association	1.9669
Lindsay Orange Growers Association	.8308
Naranjo Packing House Co.	1.0107
Orange Cove Orange Growers	2.0133
Orange Packing Company	1.1165
Orost Foothill Citrus Association	1.4099
Paloma Citrus Fruit	1.0803
Rocky Hill Citrus Association	1.4836
Sanger Citrus Association	3.4598
Sequoia Citrus Association	1.1638
Stark Packing Corp.	2.1395
Visalia Citrus Association	1.6409
Waddell & Sons	1.5715
Butte County Citrus Association, Inc.	1.1106
James Mills Orchards Co.	.3965
Orland Orange Growers	.9205
Andrews Brothers of Calif.	.5571
Baird-Neece Corp.	1.9387
Beattie Association, Agnes M.	.7451
Grandview Heights Citrus Association	2.5680
Magnolia Citrus Association	2.4705
Porterville Citrus Association, The	1.4282
Richgrove-Jasmine Citrus Association	1.5055
Sandilands Fruit Co.	1.5154
Strathmore Cooperative Association	1.5440
Strathmore District Orange Association	1.4392
Strathmore Fruit Growers Association	1.1581
Strathmore Packing House Co.	1.6395
Sunflower Packing Association, Inc.	2.5481
Sunland Packing House Co.	2.9221
Terra Bella Citrus Association	1.2564
Tule River Citrus Association	1.3506
Kroells Brothers, Ltd.	1.3666
Lindsay Mutual Groves	1.6781
Martin Ranch	1.5511
Woodlake Packing House	2.3035
Anderson Packing Co., R. M.	.8235
Baker Bros.	1.3363
California Citrus Groves, Inc., Ltd.	2.3438
Chess Co., Meyer W.	.3216
Edison Groves, Inc.	1.1611
Exeter Groves Packing Co.	.7112
Furr, N. C.	.4260
Harding & Leggett	1.5779
Justman Frankenthal Co.	.0195
Marks, W. M.	.3374
Panno Fruit Co., Carlo	.3811
Randolph Marketing Co.	2.3860
Reimers, Don H.	.3882
Rooke Packing Co., B. G.	1.4543
Wollenman Packing Co.	1.3464
Woodlake Heights Packing Corp.	.6545
Zaninovich Bros.	.5772

[F. R. Doc. 48-9984; Filed, Nov. 12, 1948; 8:57 a. m.]

TITLE 15—COMMERCE

Chapter III—Bureau of Foreign and Domestic Commerce, Department of Commerce

PART 320—OFFICE OF BUSINESS ECONOMICS; GENERAL ORGANIZATION AND FUNCTIONS

PART 321—OFFICE OF BUSINESS ECONOMICS; FUNCTIONS OF DIVISIONS

PART 322—OFFICE OF BUSINESS ECONOMICS; SERVICES AVAILABLE

CODIFICATION DISCONTINUED

In order to conform Chapter III of Title 15 to the scope and style of the

Code of Federal Regulations, 1949 Edition, authorized and directed by Executive Order 9930 of February 4, 1948 (13 F. R. 519), the codification of Parts 320, 321 and 322 is hereby discontinued. Future amendments to the statements of organization contained in these parts will be published in the Notices section of the FEDERAL REGISTER.

[SEAL] M. JOSEPH MEEHAN,
Acting Director,
Office of Business Economics.

Approved:

CHARLES SAWYER,
Secretary of Commerce.

[F. R. Doc. 48-9919; Filed, Nov. 12, 1948;
8:53 a. m.]

[3d Gen. Rev. of Export Regs., Amdt. 16]

PART 373—LICENSING POLICIES AND RELATED SPECIAL PROVISIONS

MISCELLANEOUS AMENDMENTS

Part 373 "Licensing Policies and Related Special Provisions," is amended in the following particulars:

1. Section 373.2, *Export licensing general policy*, is amended as follows:

The list of processing code symbols in subparagraph (1) of paragraph (h) *Commodities subject to this export licensing policy* is amended by adding thereto the following: "BLDG".

This part of the amendment shall become effective as of the beginning of the fourth calendar quarter of 1948.

The list of commodities in subparagraph (2) of paragraph (h) is amended by adding thereto the following:

Commodity	Schedule B No.
Other nonmetallic minerals (precious included):	
Diamond grinding wheels.....	540905
Diamond dust, or powder.....	540910
Resinoid diamond abrasive wheels.....	541200
Diamonds suitable only for industrial use.....	599005
Diamond bearings.....	599098
Diamonds, rough or uncut, other than industrial.....	599098
Iron and steel manufactures:	
Diamond saws, except circular.....	615605
Tools incorporating industrial diamond, n. e. s.....	617891
Mining, well, and pumping machinery:	
Rock drills (when containing diamonds).....	731100
Diamond drill bits and other mining and quarrying machinery, and parts containing diamonds.....	733900
Metalworking machinery:	
Diamond dies for power-driven metalworking machinery.....	745503
Metal alloy slugs containing diamonds.....	748512
Other industrial machinery:	
Diamond penetrators.....	774020
Diamond penetrator parts.....	775098
Scientific and professional instruments, apparatus and supplies:	
Diamond disk points and other dental instruments containing diamonds.....	915000

This part of the amendment shall become effective as of September 29, 1948.

2. Section 373.3, *Special provisions for iron and steel products*, is amended as follows:

Paragraph (g) *Validity period* is amended by adding to the end of the last sentence the following: "; cast-iron pressure pipe, Schedule B No. 606705; and cast-iron pressure pipe fittings, Schedule B No. 606798."

This part of the amendment shall become effective as of September 7, 1948.

A new paragraph (i) is added to read as follows:

(i) *Licensing against fourth calendar quarter, 1948, quotas.* The foregoing provisions of this section (relating to the third calendar quarter, 1948, quotas) shall also apply to licensing of iron and steel products against the fourth calendar quarter, 1948, quotas, except that the submission time schedule for such commodities shall be as follows:

Submission time schedule for iron and steel products¹

	At any time	Sept. 10 to Sept. 20	Sept. 25 to Oct. 5	Oct. 10 to Oct. 20	Oct. 25 to Nov. 5
600700.....	x				
601020, 601030, 601040, 601070, 601090.....	x				
601605, 601606, 601609, 601705, 601706.....		x			
602000.....		x			
602100, 602200 (all sizes).....			x		
602200.....				x	
602300.....		x			
602900.....			x		
603000, 603110.....		x			
603100.....			x		
603200.....			x		
603300-603400.....			x		
603510, 603600.....				x	
603590.....				x	
603711, 603718, 603811, 603818.....					x
604300.....		x			
604500.....				x	
604600.....				x	
604700.....			x		
605000.....		x			
605100, 605200, 605300.....			x		
605400.....				x	
606000, 606100.....		x			
606200, 606300.....				x	
606400.....					x
605200-607798.....					x
606705-606798.....		x			
607000.....					x
607100-607300.....		x			
607200.....			x		
607705.....				x	
608100.....		x			
608200.....			x		
608300.....			x		
608500.....		x			
608710.....			x		
609000.....	x				
609101.....	x				
609198.....				x	
609200-609300.....				x	
610515, 610525, 610535.....					x
610700.....		x			
610800.....		x			
Reject steel.....	x				
Surplus steel.....	x				

¹ The five items for which applications may be filed at any time during a calendar quarter fall in three categories, as follows: (1) Closed quota items (pig, scrap, and bale ties) for which the OIT has no export quota. Approvals are dependent upon the action of the Review Committee, to which only exceptional cases are referred; (2) surplus steel, on which there is an overall quantitative quota of 20,000 tons; and (3) reject steel, on which there is an open quota. The provisions of § 373.4, with respect to reject and surplus steel, remain in full effect.

This part of the amendment shall become effective as of August 18, 1948, except that as to Schedule B No. 609900 it shall become effective September 22, 1948.

3. A new § 373.10 is added to read as follows:

§ 373.10 *Special provisions for rice exportations to Cuba.* Rice will be licensed for export to Cuba against allocations for the period July to Decem-

ber, 1948, in accordance with the following provisions:

(a) Each applicant may apply for and receive a license, or licenses, in an amount equal to 10% (rounded to the nearest 1,000 cwt.) of the shipments of rice he made to Cuba during the period July 1, 1947-June 30, 1948, or 1,000 cwt., whichever is greater (but in no case will such licenses be issued for an amount in excess of 40,000 cwt.), *Provided*:

(1) The applicant submits a detailed signed statement of his shipments of rice to Cuba during the period July 1, 1947, to June 30, 1948, including the date of each shipment. Such statement need be submitted only once.

(2) Each license application is accompanied by a copy of an irrevocable letter of credit or a copy of a domestic bank's advice of an irrevocable letter of credit opened for the account of the purchaser or ultimate consignee. Such copy must be officially signed by the issuing or advising bank. A photostatic copy of the original irrevocable letter of credit or original advice of irrevocable letter of credit will be accepted in lieu of the official signed copy. In each case, the applicant must certify the amount of the unused balance of the letter of credit remaining after deducting the amount involved in transactions for which licenses have been issued.

(b) *Additional licenses.* (1) An applicant who has received a license, or licenses, authorizing shipment of 10,000 cwt., or more of rice to Cuba under the provisions set forth in paragraph (a) of this section, may apply for and receive additional licenses upon submission of certified copies of on board ocean bills of lading, bearing the export license number (or numbers) showing that he actually has shipped against the license (or licenses) previously granted under this procedure in an amount equivalent to that for which he is applying.

(2) An applicant who has received a license or licenses authorizing shipment of less than 10,000 cwt., of rice to Cuba under the provisions set forth in paragraph (a) of this section, may apply for an amount up to twice the amount he has shipped, as shown on the certified copies of on board ocean bills of lading to accompany such application, provided such amount does not exceed 10,000 cwt. When an applicant qualifies to receive a license, or licenses, covering an amount up to 10,000 cwt., subsequent license applications shall be submitted in accordance with subparagraph (1) of this paragraph.

(c) *Consideration of applications.* License applications will be considered for validation during August, September, and October, 1948, in the order they are received until 1,600,000 cwt. have been licensed, after which time applications will be held for consideration during November and December, 1948, in the order they were received. License applications accompanied by letters of credit which, by their terms, expire before shipment can be effected, will be returned without action to the applicant.

(d) *Validity period.* Licenses will be validated for a period of 60 days.

RULES AND REGULATIONS

This part of the amendment shall become effective as of August 18, 1948.

4. A new § 373.11 is added to read as follows:

§ 373.11 *Special provisions for lumber, Processing Code LUMB.* Applications for licenses to export commodities included on the Positive List with the processing code symbol LUMB must be accompanied by evidence of accepted orders.

This part of the amendment shall become effective as of September 9, 1948.

5. A new § 373.12 is added to read as follows:

§ 373.12 *Special provisions for building materials.* All building materials included on the Positive List with the processing code symbol BLDG will be licensed for export against fourth calendar quarter, 1948, quotas and subsequent calendar quarter quotas in accordance with the following provisions:

(a) License applications will be approved on the basis of accepted order, end-use for which the exportation is intended, export price and country of destination involved, in accordance with the licensing policy set forth in § 373.2.

(b) *Time for submission of applications.* Applications must be submitted during the last ten (10) days of the month preceding the beginning of a new calendar quarter and not later than the first day of the new calendar quarter. Applications against fourth calendar quarter, 1948, quotas received on or after October 1, 1948, or which do not comply with the requirements of this section will not be considered but will be returned without action for resubmission not earlier than the 20th day of the month preceding the beginning of the next calendar quarter.

This part of the amendment shall become effective as of September 9, 1948.

6. A new section 373.13 is added to read as follows:

§ 373.13 *Special provisions for diamonds.* Loose diamonds (except cut gem diamonds) and tools and devices incorporating diamonds will be licensed for export in accordance with the following provisions:

(a) *Definitions.* The commodities covered by this section are more particularly described and defined as follows:

(1) "Loose diamonds (except cut gem diamonds)" are any diamonds not set in any other material.

(i) "Industrial diamonds" are industrial-purpose diamonds in any form, unmounted, including ballas, carbonados, crushing bort, other uncrushed diamonds and diamond fragments, and diamond dust or powder.

(ii) "Cutttable diamonds" are diamonds suitable for cutting into gems and not reserved for industrial use.

(2) "Tools incorporating diamonds" are any tools or industrial devices, including metal slugs, which contain diamonds.

(b) *Basis of licensing.* License applications will be approved in accordance with the general licensing policy set forth in § 373.2.

(c) *Application requirements.* (1) Separate license applications (Form IT-419) must be submitted for each sched-

ule B classification of loose diamonds and tools and devices incorporating diamonds and must contain a complete description of each named commodity or commodities, including any customary trade sub-classifications.

(2) Loose diamonds, industrial and cuttable must be listed on the application by one of the following methods:

(i) Separately, giving trade description and the respective carat weight and value of each diamond listed.

(ii) In groups by packets, giving the number of diamonds, the total carat weight, total value, and average value per carat for each group.

(iii) By quantity (as in the case of small sizes, sand, powder, etc.), giving total carat weight, total value, and average value per carat.

(3) Tools incorporating industrial diamonds: (i) Tools, tool parts or devices (including metal slugs) must be listed separately on the application, or by groups of identical tools, giving the name and type of tool and the approximate carat weight of diamonds and/or diamond powder or dust contained therein.

(ii) Diamond dies must be listed as unmounted or encased and the size of hole, carat weight and the unit value per die must be given.

(4) The application must also include a detailed statement regarding the end use of the commodity.

(d) *Export clearance.* Every shipment of loose diamonds in any form (except cut gem diamonds), not including tools incorporating diamonds, irrespective of the means of exportation must be inspected by the nearest Collector of Customs. The Collector of Customs will compare the contents of the shipment with the description on the export license. If the contents and description on the license agree, the shipment will be sealed and shipped under Customs supervision. If the contents of the shipment do not agree with the description set forth on the export license, the Collector of Customs will refuse clearance of shipment for export and will return the export license to the Office of International Trade with a statement of his findings.

This part of the amendment shall become effective as of September 29, 1948.

(Sec. 6, 54 Stat. 714, 55 Stat. 206, 56 Stat. 463, 58 Stat. 671, 59 Stat. 270, 60 Stat. 215, 61 Stat. 214, 61 Stat. 321; Pub. Law 395, 80th Cong.; 50 U. S. C. App. and Sup. 701, 702; E. O. 9630, Sept. 27, 1945, 10 F. R. 12245; E. O. 9919, Jan. 3, 1948, 13 F. R. 59)

Dated: November 5, 1948.

FRANCIS MCINTYRE,
Assistant Director,
Office of International Trade.

[F. R. Doc. 48-9931; Filed, Nov. 12, 1948; 9:13 a. m.]

[3d Gen. Rev. of Export Regs., Amdt. P. L. 10]

PART 399—POSITIVE LIST OF COMMODITIES AND RELATED MATTERS

APPENDIX A

Section 399.1 Appendix A—Positive List of Commodities is amended by delet-

ing therefrom the following commodities:

Dept. of Comm. Sched. B No.	Commodity
704000	Electrical machinery and apparatus: Motors, $\frac{1}{2}$ horsepower and over but not exceeding $\frac{1}{2}$ horsepower. Medicinal and pharmaceutical preparations:
812300	Insulin. Chemical specialties: Synthetic gums and resins: In powder, flake or liquid form (scrap included): Tar acid resins: Phenol-formaldehyde resins. Rosin-modified phenolic resins. Sheets, plates, rods, tubes, and other unfinished forms: Laminated: Phenol-formaldehyde resins. Not laminated: Phenol-formaldehyde resins. Industrial chemicals: Lauryl alcohol. Sodium hydroxide or caustic soda, liquid form only. Chromium salts and compounds (except chemical pigments).
825500	
825500	
826000	
826100	
831500	
837300	
839900	

(Sec. 6, 54 Stat. 714, 55 Stat. 206, 56 Stat. 463, 58 Stat. 671, 59 Stat. 270, 60 Stat. 215, 61 Stat. 214, 61 Stat. 321; Pub. Law 395, 80th Cong.; 50 U. S. C. App. and Sup. 701, 702; E. O. 9630, Sept. 27, 1945, 10 F. R. 12245; E. O. 9919, Jan. 3, 1948, 13 F. R. 59)

This amendment shall become effective November 9, 1948.

Dated: October 29, 1948.

FRANCIS MCINTYRE,
Assistant Director,
Office of International Trade.

[F. R. Doc. 48-9932; Filed, Nov. 12, 1948; 9:13 a. m.]

TITLE 17—COMMODITY AND SECURITIES EXCHANGES

Chapter II—Securities and Exchange Commission

PART 240—GENERAL RULES AND REGULATIONS, SECURITIES EXCHANGE ACT OF 1934

SOLICITATION OF PROXIES

On July 6, 1948, the Securities and Exchange Commission issued proposals with respect to certain amendments to § 240.14 (Regulation X-14) under the Securities Exchange Act of 1934 which proposals were published in the FEDERAL REGISTER on July 14, 1948. The Commission has now duly considered all comments and suggestions received in connection with the proposed amendments and is taking action in regard thereto as hereinafter set forth. The Commission finds that the action hereinafter specified is necessary or appropriate in the public interest and for the protection of investors and necessary to carry out the provisions of the act. Such action is taken pursuant to the Securities Exchange Act of 1934, particularly sections 14 (a) and 23 (a) thereof.

I. Section 240.14a-1 (Rule X-14A-1) is amended by adding thereto the fol-

lowing definition of the term "last fiscal year." The purpose of this amendment is to make it clear that where the term is used in § 240.14 (Regulation X-14) it refers to the latest fiscal year of the issuer prior to the date of the meeting.

§ 240.14a-1 Definitions. * * *

(f) *Last fiscal year.* The term "last fiscal year" of the issuer means the last fiscal year of the issuer ending prior to the date of the meeting for which proxies are to be solicited.

II. Section 240.14a-4 (Rule X-14A-4) which governs the form of proxies is amended to read as hereinbelow set forth. It has been found that proxies have been misleading in certain cases in that they did not indicate clearly whether or not the solicitation was made on behalf of the management or on behalf of other persons. In order to remedy this situation, the rule is amended to require that there be set forth in bold face type on the form of proxy an indication as to whether or not it is solicited on behalf of the management.

In certain cases § 240.14a-8 (Rule X-14A-8), as hereinbelow amended, will permit the omission of a stockholder's proposal in certain instances. Section 240.14a-4 (Rule X-14A-4) is amended to provide that proposals so omitted need not be referred to in the form of proxy and that the proxy may confer discretionary authority with respect to such proposals.

In order to prevent the premature solicitation of proxies at a time when material information has not yet become available, the amended rule provides that no proxy shall confer authority to vote at any annual meeting other than the next annual meeting (or any adjournment thereof) which is to be held after the date on which the solicitation is made.

The Commission has heretofore taken the position that the solicitation of proxies constitutes an implied representation by the persons making the solicitation that the shares represented by the proxy will be voted. In order to make this representation more explicit, the amended rule requires that the proxy statement shall provide that the shares represented by the proxy will be voted, subject to reasonable specified conditions.

This rule has also been amended and clarified in other minor respects.

The text of the amended rule is as follows:

§ 240.14a-4 Requirements as to form of proxy. (a) The form of proxy (1) shall indicate in bold face type whether or not the proxy is solicited on behalf of the management and (2) shall identify clearly and impartially each matter or group of related matters intended to be acted upon, whether proposed by the management or by security holders. No reference need be made, however, to proposals omitted pursuant to paragraph (c) of § 240.14a-8.

(b) Means shall be provided in the form of proxy whereby the person solicited is afforded an opportunity to specify by ballot a choice between approval or disapproval of each matter or group of related matters referred to therein as intended to be acted upon, other than elections to office. A proxy may confer discretionary authority with respect to matters as to which a choice is not so specified provided the form of proxy states in bold face type how it is intended to vote the shares represented by the proxy in each such case.

(c) A proxy may confer discretionary authority with respect to other matters which may come before the meeting, provided the persons on whose behalf the solicitation is made are not aware at the time the solicitation is made that any such other matters are to be presented for action at the meeting and provided further that a specific statement to that effect is made in the proxy statement or in the form of proxy. A proxy may also confer discretionary authority with respect to any proposal omitted from the proxy statement and form of proxy pursuant to paragraph (c) of § 240.14a-8.

(d) No proxy shall confer authority (1) to vote for the election of any person to any office for which a bona fide nominee is not named in the proxy statement, or (2) to vote at any annual meeting other than the next annual meeting (or any adjournment thereof) to be held after the date on which the proxy statement and form of proxy are first sent or given to security holders.

(e) The proxy statement or form of proxy shall provide, subject to reasonable specified conditions, that the shares represented by the proxy will be voted and that where the person solicited specifies by means of a ballot provided pursuant to paragraph (b) of this section a choice with respect to any matter to be acted upon, the shares will be voted in accordance with the specifications so made.

III. Section 240.14a-8 (Rule X-14A-8) is amended by deleting paragraph (c) thereof and by inserting in lieu of such paragraph two new paragraphs (c) and (d) reading as hereinbelow set forth.

This rule requires the management to include in its proxy material proposals seasonably submitted by security holders which are proper subjects for action by security holders. The Commission has found that in a few cases security holders have abused this privilege by using the rule to achieve personal ends which are not necessarily in the common interest of the issuer's security holders generally. In order to prevent such abuse of the rule, but without unduly restricting the privilege which it grants to security holders, the amendment places reasonable limitations upon the submission of such proposals.

The text of the two new paragraphs is as follows:

§ 240.14a-8 Proposals of security holders. * * *

(c) Notwithstanding the foregoing, the management may omit a proposal and any statement in support thereof from its proxy statement and form of proxy under the following circumstances:

(1) If it clearly appears that the proposal is submitted by the security holder primarily for the purpose of enforcing a personal claim or of redressing a personal grievance against the issuer or its management, or

(2) If the management has at the security holder's request included a proposal in its proxy statement and form of proxy relating to either of the last two annual meetings of security holders or any special meeting held subsequent to the earlier of such two annual meetings and such security holder has failed without good cause to attend the meeting in person or by proxy or to present the proposal for action at the meeting, or

(3) If substantially the same proposal was submitted to the security holders for action at the last annual meeting of security holders or at any special meeting held subsequent thereto and received less than three percent of the total number of votes cast in regard to the proposal.

(d) Whenever the management asserts that a proposal and any statement in support thereof may properly be omitted from its proxy statement and form of proxy, it shall file with the Commission, not later than the date preliminary copies of the proxy statement and form of proxy are filed pursuant to § 240.14a-6 (a), (Rule X-14A-6 (a)), a copy of the proposal and any statement in support thereof, as received from the security holder, together with a statement of the reasons why the management deems such omission to be proper in the particular case. The management shall at the same time, if it has not already done so, notify the security holder submitting the proposal of its intention to omit the proposal from its proxy statement and form of proxy and shall advise the security holder as to the reasons for such omission. Compliance with this paragraph shall not be construed as relieving the management of its obligation to comply fully with the foregoing provisions of this section.

IV. Item 3 (b) of Schedule 14A *Information Required in Proxy Statement* has heretofore required that if the solicitation is made otherwise than on behalf of the management, the names of the persons on whose behalf it is made shall be stated. In order to make it clear in such cases that the solicitation is not made on behalf of the management, Item 3 (b) is amended to require a specific statement to that effect.

The text of the amended item is as follows:

Item 3. Persons making the solicitation. * * *

(b) If the solicitation is made otherwise than on behalf of the management, so state and give the names of the persons on whose behalf it is made.

V. Item 7 calls for information as to the remuneration of and other transactions with directors, nominees, officers and certain other persons. Paragraphs (a) and (b) of the item have been revised for the general purpose of making the language of the items more specific in certain respects. The amended paragraph (a) calls for the same breakdown of the various types of remuneration paid to individual directors, nominees

¹ See 17 CFR 241.4185 *infra* for interpretative statement accompanying the November 5, 1948 revision of this rule.

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and officers as has heretofore been required with respect to directors and officers as a group.

Paragraph (d) is amended to call for information as to the indebtedness of associates of directors, officers and nominees of the issuer as well as for the indebtedness of such directors, officers and nominees themselves.

The text of paragraphs (a), (b) and (d) as amended is as follows:

Item 7. Remuneration and other transactions with directors, nominees, officers and others.

(a) Furnish the following information, in substantially the tabular form indicated, as to the aggregate remuneration directly or

indirectly paid or set aside by the issuer and its subsidiaries to, or for the benefit of, the following persons for services in all capacities while acting as directors or officers of the issuer during its last fiscal year.

(1) Each person who was a director of the issuer at any time during such fiscal year and whose aggregate remuneration, exclusive of pension, retirement and similar payments, exceeded \$25,000.

(2) Each person who was one of the three highest-paid officers of the issuer during such fiscal year and whose aggregate remuneration, exclusive of pension, retirement and similar payments, exceeded \$25,000.

(3) All persons, as a group, who were directors or officers of the issuer at any time during such fiscal year.

(1)	(2)	(3)	(4)	(5)
Name of individual or identity of group	Capacities in which remuneration was received	Fees, salaries, and commissions	Bonuses and shares in profits	Pension, retirement and similar payments

Instructions. 1. Include in column (5) any amounts paid, set aside or accrued pursuant to any pension, retirement, savings or other similar plan, including premiums paid for life insurance or retirement annuities.

2. The issuer may state, with respect to any person specified, the total remuneration paid to a partnership in which such person was a partner in lieu of an allocation of such person's share in the total remuneration so paid, if by note or otherwise, it is indicated that such has been done. The total amount of such remuneration shall be included in determining whether the aggregate remuneration of such person exceeded \$25,000.

3. If the total remuneration shown in columns (3) and (4) for any individual director or officer, or for the directors and officers as a group, exceeds by more than ten percent the corresponding amounts of remuneration of such director, officer or group for the preceding fiscal year, state the amount of the excess of the remuneration shown over the corresponding amount for the preceding fiscal year.

(b) State the annual benefits estimated to be payable in the event of retirement at normal retirement date to each person named in answer to paragraph (a) pursuant to any pension or retirement plan.

Instruction. Except as to persons whose retirement benefits have already vested, the information called for by this paragraph may be given in a table showing the annual benefits payable to persons in specified salary classifications.

(d) State as to each of the following persons who were indebted to the issuer or its subsidiaries at any time since the beginning of the last fiscal year of the issuer, (1) the largest aggregate amount of indebtedness outstanding at any time during such period, (2) the nature of the indebtedness, (3) the amount thereof outstanding as of the latest practicable date, and (4) the rate of interest paid or charged thereon: (i) each person who has been a director or officer of the issuer at any time during such period, (ii) each nominee for election as a director, and (iii) each associate of any such director, officer or nominee.

Instruction. Paragraph (d) does not apply to indebtedness arising from transactions in the ordinary course of business, or to any person whose aggregate indebtedness did

not exceed \$1,000 at any time during the period specified.

VI. Paragraph (f) of Item 7 of Schedule 14A calls for information as to the aggregate remuneration from the issuer and its subsidiaries of certain persons whose remuneration for services during the last fiscal year exceeded \$20,000. In view of the fact that paragraph (a) of the amended item only calls for information of persons whose aggregate remuneration exceeded \$25,000 during the last fiscal year of the issuer, the Commission has determined that the amount specified in paragraph (f) should also be correspondingly raised. Accordingly, paragraph (f) is amended by substituting the figure "\$25,000" in lieu of the figure "\$20,000" heretofore contained therein.

VII. Item 12 of Schedule 14A calls for certain information where action is to be taken with respect to the authorization of issuance of securities otherwise than in exchange for outstanding securities of the issuer. The item is amended to make it clear that it applies to the authorization of securities even though such securities are not to be issued immediately. The amended item also provides that a description of the securities to be authorized or issued need not be given in cases involving only additional shares of common stock of a class already outstanding, although in such cases a statement as to any pre-emptive rights is required.

The text of Item 12 as amended reads as follows:

Item 12. Authorization or issuance of securities otherwise than for exchange. If action is to be taken with respect to the authorization or issuance of any securities otherwise than for exchange for outstanding securities of the issuer, furnish the following information:

(a) State the title and amount of securities to be authorized or issued.

(b) Furnish a description of the securities such as would be required to be furnished in an application on the appropriate form

for their registration on a national securities exchange. If the securities are additional shares of common stock of a class outstanding, the description may be omitted except for a statement of the pre-emptive rights, if any.

(c) Describe briefly the transaction in which the securities are to be issued, including a statement as to (1) the nature and approximate amount of consideration received or to be received by the issuer, and (2) the approximate amount devoted to each purpose so far as determinable, for which the net proceeds have been or are to be used.

(d) If the securities are to be issued otherwise than in a general public offering for cash, state the reasons for the proposed authorization or issuance, the general effect thereof upon the rights of existing security holders, and the vote needed for approval.

In view of the fact that certain persons may wish to comply with § 240.14 (Regulation X-14) as hereinabove amended, rather than with § 240.14 (Regulation X-14) as heretofore in existence, the foregoing action shall be effective November 5, 1948. However, any solicitation commenced prior to December 15, 1948, may at the option of the persons on whose behalf it is made be governed by § 240.14 (Regulation X-14) as heretofore in effect.

(Secs. 14 (a), 23 (a), 48 Stat. 895, 901; 15 U. S. C. 78n, 78w)

By the Commission.

[SEAL]

ORVAL L. DuBois,
Secretary.

[F. R. Doc. 48-9924; Filed, Nov. 12, 1948; 8:52 a. m.]

PART 241—INTERPRETATIVE RELEASES RELATING TO SECURITIES EXCHANGE ACT OF 1934 AND GENERAL RULES AND REGULATIONS THEREUNDER

REQUIREMENTS AS TO FORM OF PROXY

§ 241.4185 *Statement of the Commission accompanying November 5, 1948, revision of § 240.14 of this chapter (Regulation X-14).* The draft of § 240.14a-4 of this chapter (Rule X-14A-4) which was published in the FEDERAL REGISTER on July 14, 1948 and circulated for public comment contained a provision that the form of proxy should contain no recommendation with respect to any matter to be acted upon. Upon further consideration of the matter, after reviewing the comments received, the Commission believes that this proposed change in the text of the existing section would introduce ambiguities that would create administrative difficulties in construction and application of the section. For that reason this provision has been omitted from the amended section. The failure to adopt the change in text is not to be regarded, however, as permitting the use of the proxy form to electioneer for or against propositions to be voted upon by the stockholders. In administering the section in the future no objection will be raised to the inclusion in the form of proxy of a simple statement of the fact that the management favors or opposes any matter to be acted upon pursuant to the proxy. However, in view of the